

QATAR CINEMA AND FILM  
DISTRIBUTION COMPANY – Q.P.S.C  
DOHA – QATAR

INTEREM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD  
ENDED MARCH 31, 2021

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INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021

|   | Note | March 31,<br>2021<br>(Reviewed) | December 31,<br>2020<br>(Audited) |
|---|------|---------------------------------|-----------------------------------|
| <b>ASSETS</b>                                     |      |                                 |                                   |
| <b>current assets:</b>                            |      |                                 |                                   |
| Cash and bank balances                            | (1)  | 16,894,073                      | 23,447,147                        |
| Accounts receivable                               | (2)  | 2,087,820                       | 2,445,423                         |
| Inventory and spare parts                         |      | 267,274                         | 279,785                           |
| Prepayments and other debit balances              | (3)  | 1,282,664                       | 1,189,041                         |
| <b>Total Current Assets</b>                       |      | <b>20,531,831</b>               | <b>27,361,396</b>                 |
| <b>Non-Current Assets :</b>                       |      |                                 |                                   |
| Available-for-sale investments                    | (4)  | 32,893,927                      | 32,620,651                        |
| Investment properties                             | (5)  | 80,238,754                      | 81,264,698                        |
| Property and equipment                            | (6)  | 18,518,682                      | 18,193,037                        |
| Right of use asset                                |      | 7,182,493                       | 7,387,122                         |
| <b>Total Non-Current Assets</b>                   |      | <b>138,833,856</b>              | <b>139,465,508</b>                |
| <b>Total Assets</b>                               |      | <b>159,365,687</b>              | <b>166,826,904</b>                |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>      |      |                                 |                                   |
| <b>Current Liabilities:</b>                       |      |                                 |                                   |
| Accounts payable                                  |      | 372,327                         | 1,108,632                         |
| Borrowings  |      | 7,000,000                       | 7,000,000                         |
| Advance rent received                             |      | 907,679                         | 1,498,848                         |
| Dividends payable                                 |      | 7,276,002                       | 6,837,695                         |
| Accruals and other credit balances                | (7)  | 238,163                         | 1,691,235                         |
| <b>Total Current Liabilities</b>                  |      | <b>15,794,171</b>               | <b>18,136,410</b>                 |
| <b>Non -Current Liabilities:</b>                  |      |                                 |                                   |
| Employees' end of service benefits                |      | 1,122,764                       | 1,105,680                         |
| Lease liabilities                                 |      | 9,031,661                       | 9,205,390                         |
| <b>Total Non-Current Liabilities</b>              |      | <b>10,154,425</b>               | <b>10,311,070</b>                 |
| <b>Total Liabilities</b>                          |      | <b>25,948,596</b>               | <b>28,447,480</b>                 |
| <b>Shareholders' Equity:</b>                      |      |                                 |                                   |
| Share capital                                     | (8)  | 62,807,950                      | 62,807,950                        |
| Legal reserve                                     |      | 37,992,630                      | 37,992,630                        |
| General reserve                                   |      | 2,663,152                       | 2,663,152                         |
| Fair value reserve                                |      | 8,833,056                       | 8,559,780                         |
| Retained earnings                                 |      | 21,120,303                      | 26,355,912                        |
| <b>Total shareholders' Equity</b>                 |      | <b>133,417,091</b>              | <b>138,379,424</b>                |
| <b>Total Liabilities and Shareholders' Equity</b> |      | <b>159,365,687</b>              | <b>166,826,904</b>                |

These interim Condensed Financial statements were approved on April 28, 2021 and signed by:



Ali Ishaq Hussein Al Ishaq  
Managing Director & CEO



Ahmed Abdul Rahman Fakhroo  
Chairman

INTERIM STATEMENT OF PROFIT OR LOSS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31,2021

|  | Note | For The Three Months Period Ended<br>March 31, |                  |
|--|------|--|------------------|
|  |      | 2021   | 2020             |
|  |      | (Reviewed)                                     | (Reviewed)       |
|  |      | QR.  | QR.              |
| Operating income   | (9)  | 344,347  | 1,266,331        |
| Direct Cost  | (10) | (939,565)                                      | (1,743,639)      |
| <b>Gross Operating Profit</b>                                    |      | <b>(595,218)</b>                               | <b>(477,308)</b> |
| General & Administrative expenses                                | (11) | ( 1,256,523)                                   | ( 1,351,255)     |
| Depreciation of property, Equipment<br>and investment properties |      | (1,153,593)                                    | (1,199,974)      |
| Dividends income   |      | 887,394  | 876,664          |
| Rental income  |      | 3,458,389                                      | 4,079,905        |
| Finance costs  |      | (198,208)                                      | (324,690)        |
| Other income   | (12) | 107,574  | 70,821           |
| Depreciation of right-of-use assets                              |      | (204,629)                                      | (206,903)        |
| <b>Net profit for the period</b>                                 |      | <b>1,045,186</b>                               | <b>1,467,260</b> |
| <b>Basic / diluted earnings per share</b>                        | (13) | <b>0.017</b>                                   | <b>0.023</b>     |

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

|  | For The Three Months Period Ended |                    |
|--|-----------------------------------|--------------------|
|  | March 31,                         |                    |
|  | 2021                              | 2020               |
| Note   | (Reviewed)                        | (Reviewed)         |
|  | QR.                               | QR.                |
| Net profit for the period                                      | 1,045,186                         | 1,467,260          |
| <b>Other comprehensive income items</b>                        |                                   |                    |
| Net changes in Fair value of<br>Available for sale investments | 273,276                           | (7,777,604)        |
| <b>Total comprehensive (loss) income for the<br/>period</b>    | <b>1,318,462</b>                  | <b>(6,310,344)</b> |

QATAR CINEMA AND FILM DISTRIBUTION COMPANY (Q.S.C.)  
DOHA - QATAR

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

|   | Share<br>Capital | Legal<br>Reserve | General<br>Reserve | Fair Value<br>Reserve | Retained<br>Earnings | Proposed<br>Dividends | Total       |
|---|------------------|------------------|--------------------|-----------------------|----------------------|-----------------------|-------------|
|   | QR.              | QR.              | QR.                | QR.                   | QR.                  | QR.                   | QR.         |
| Balance as at January 1, 2020 (Audited) | 62,807,950       | 37,992,630       | 2,663,152          | 12,348,658            | 27,808,352           | --                    | 143,620,742 |
| Net income for the period               | --               | --               | --                 | --                    | 1,467,260            | --                    | 1,467,260   |
| Net movement in Fair value reserve      | --               | --               | --                 | (7,777,604)           | --                   | --                    | (7,777,604) |
| Dividends payable                       | --               | --               | --                 | --                    | (6,280,795)          | --                    | (6,280,795) |
| Transfer to dividends payable           | --               | --               | --                 | --                    | --                   | --                    | --          |
| Balance as at March 31, 2020 (Reviewed) | 62,807,950       | 37,992,630       | 2,663,152          | 4,571,054             | 22,994,817           | --                    | 131,029,603 |
| Balance as at January 1, 2021 (Audited) | 62,807,950       | 37,992,630       | 2,663,152          | 8,559,780             | 21,527,557           | --                    | 133,551,069 |
| Net income for the period               | --               | --               | --                 | --                    | 1,045,186            | --                    | 1,045,186   |
| Net movement in Fair value reserve      | --               | --               | --                 | 273,276               | --                   | --                    | 273,276     |
| Dividends payable                       | --               | --               | --                 | --                    | --                   | --                    | --          |
| Transfer to dividends payable           | --               | --               | --                 | --                    | (1,452,440)          | --                    | (1,452,440) |
| Balance as at March 31, 2021 (Reviewed) | 62,807,950       | 37,992,630       | 2,663,152          | 8,833,056             | 21,120,303           | --                    | 133,417,091 |

INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

| Note  | For The Three Months Period Ended      |  |
|---|--|--|
|   | March 31,<br>2021<br>(Reviewed)<br>QR. | March 31,<br>2020<br>(Reviewed)<br>QR. |
| <b>Cash Flows From Operating Activities</b>                                       |  |  |
| Net Profit for the period   | 1,045,186                              | 1,467,260                              |
| <b>Adjustments for:</b>   |  |  |
| Depreciation of property and equipment and investment properties                  | 1,358,222                              | 1,406,877                              |
| Finance charges   | 198,208                                | 324,690                                |
| Employees' end of service benefits  | 40,642                                 | 54,250                                 |
| <b>Net cash flows from operating activities before changes in working capital</b> | <b>2,642,258</b>                       | <b>3,253,077</b>                       |
| Accounts receivable   | (247,152)                              | 1,350,242                              |
| Inventory and spare parts   | 12,511                                 | 7,242                                  |
| Accounts payable  | (302,707)                              | (1,976,061)                            |
| Advance rent received   | (544,169)                              | (1,676,164)                            |
|   | <b>1,560,741</b>                       | <b>958,336</b>                         |
| Employees' end of service benefits Paid   | (23,558)                               | --                                     |
| Sports & social support fund  | (123,804)                              | 159,742                                |
| <b>Net cash generated by operating activities</b>                                 | <b>1,413,379</b>                       | <b>1,118,078</b>                       |
| <b>Cash Flows From Investing Activities</b>                                       |  |  |
| Additions of property and equipments  | (2,017,990)                            | (2,162,272)                            |
| Acquisition of available-for sale investments                                     | ---                                    | ---                                    |
| <b>Net Cash Used in Investing Activities</b>                                      | <b>(2,017,990)</b>                     | <b>(2,162,272)</b>                     |
| <b>FINANCING ACTIVITIES</b>   |  |  |
| Finance charges paid  | (105,975)                              | (324,690)                              |
| Dividends paid  | (5,842,488)                            | (5,786,838)                            |
| <b>Net cash used in financing activities</b>                                      | <b>(5,948,463)</b>                     | <b>(6,111,528)</b>                     |
| Net increase in cash and cash equivalents   | (6,553,074)                            | (7,155,722)                            |
| cash and cash equivalents - beginning of period                                   | 23,447,147                             | 32,852,340                             |
| <b>Cash and Cash equivalents -end of period</b>                                   | <b>16,894,073</b>                      | <b>25,696,618</b>                      |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

**1. Cash and bank balances:**

|                                  | March 31,<br>2021<br>(Reviewed)<br>QR. | December 31,<br>2020<br>(Audited)<br>QR. |
|----------------------------------|--|--|
| Cash on hand                     | 1,017                                  | --                                       |
| Cash at banks – current accounts | 16,748,403                             | 23,302,526                               |
| Short term fixed deposits        | 144,653                                | 144,621                                  |
|                                  | <b>16,894,073</b>                      | <b>23,447,147</b>                        |

Term and call deposits earn annual profit rate 0.75 with original maturity of 90 days.

**2. Accounts Receivable**

|                              | March 31,<br>2021<br>(Reviewed)<br>QR. | December 31,<br>2020<br>(Audited)<br>QR. |
|------------------------------|--|--|
| Accounts receivable          | 897,164                                | 723,028                                  |
| Notes receivable             | 2,051,956                              | 2,583,695                                |
| Provision for doubtful debts | (861,300)                              | (861,300)                                |
|                              | <b>2,087,820</b>                       | <b>2,445,423</b>                         |

**3. Prepayments and other debit Balances**

|                                     | March 31,<br>2021<br>(Reviewed)<br>QR. | December 31,<br>2020<br>(Audited)<br>QR. |
|-------------------------------------|--|--|
| Due From Staff                      | 217,512                                | 207,460                                  |
| Letters of guarantee margin         | 981,381                                | 980,881                                  |
| Prepayment and other debit balances | 83,771                                 | 700                                      |
|                                     | <b>1,282,664</b>                       | <b>1,189,041</b>                         |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

4. Available for Sale investments

|  | March 31,<br>2021<br>(Reviewed)<br>QR. | December 31,<br>2020<br>(Audited)<br>QR. |
|--|--|--|
| Fair value at the beginning of the Period/Year | 32,620,651                             | 36,409,529                               |
| Acquisition during the Period/Year             | 659,219                                | ---                                      |
| Disposals during the Period/Year               | (385,943)                              | ---                                      |
| Net changes in Fair value                      | 273,276                                | (3,788,878)                              |
|  | <b>32,893,927</b>                      | <b>32,620,651</b>                        |

5. Investment properties

|   | March 31,<br>2021<br>(Reviewed)<br>QR. | December 31,<br>2020<br>(Audited)<br>QR. |
|---|--|--|
| Net Book Value, beginning balance       | 81,264,698                             | 84,684,543                               |
| Additions during the Period/Year        | ---                                    | 6,525                                    |
| Depreciation Charge for the Period/Year | (1,025,944)                            | (3,426,370)                              |
| <b>Net Book value, ending balance</b>   | <b>80,238,754</b>                      | <b>81,264,698</b>                        |

6. Property and equipment

|   | March 31,<br>2021<br>(Reviewed)<br>QR. | December 31,<br>2020<br>(Audited)<br>QR. |
|---|--|--|
| Net Book Value, beginning balance         | 18,193,037                             | 13,558,485                               |
| Additions during the year / Period        | 2,017,990                              | 5,298,104                                |
| Depreciation Charge for the year / Period | (127,650)                              | (657,352)                                |
| Impairment During the year / Period       | (1,564,695)                            | (6,200)                                  |
| <b>Net Book value, ending balance</b>     | <b>18,518,682</b>                      | <b>18,193,037</b>                        |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

7. ACCRUALS AND OTHER CREDIT BALANCES

|                                   | March 31,<br>2021<br>(Reviewed)<br>QR. | December<br>31,<br>2020<br>(Audited)<br>QR. |
|-----------------------------------|--|---|
| Accrued expenses                  | 238,163                                | 1,531,493                                   |
| Provision for social contribution | ---                                    | 159,742                                     |
|                                   | <u>238,163</u>                         | <u>1,691,235</u>                            |

8. SHARE CAPITAL

|   | March 31,<br>2021<br>(Reviewed)<br>QR. | December<br>31,<br>2020<br>(Audited)<br>QR. |
|---|--|---|
| Capital -authorized, issued and fully paid:<br>62,807,950 shares par value QR. 0.10 per share | <u>62,807,950</u>                      | <u>62,807,950</u>                           |

9. OPERATING INCOME

|                    | For The Three Months Period Ended      |  |
|--------------------|--|--|
|                    | March 31,<br>2021<br>(Reviewed)<br>QR. | March 31,<br>2020<br>(Reviewed)<br>QR. |
| Movies income      | 332,000                                | 1,123,950                              |
| Films rent income  | --                                     | 75,172                                 |
| Advertising income | ---                                    | ---                                    |
| Cafeterias income  | 12,347                                 | 67,209                                 |
|                    | <u>344,347</u>                         | <u>1,266,331</u>                       |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

10. Direct Costs

|  | For The Three Months Period Ended      |  |
|--|--|--|
|  | March 31,<br>2021<br>(Reviewed)<br>QR. | March 31,<br>2020<br>(Reviewed)<br>QR. |
| Share of distributors and films expenses | 170,649                                | 604,147                                |
| Cinema expenses                          | 768,916                                | 1,139,492                              |
|  | <b>939,565</b>                         | <b>1,743,639</b>                       |

11. GENERAL AND ADMINISTRATIVE EXPENSES

|  | For The Three Months Period Ended      |  |
|--|--|--|
|  | March 31,<br>2021<br>(Reviewed)<br>QR. | March 31,<br>2020<br>(Reviewed)<br>QR. |
| Salaries, wages and staff compensation | 456,900                                | 506,801                                |
| Telephone and fax                      | 7,727                                  | 28,515                                 |
| Maintenance                            | 21,190                                 | 30,114                                 |
| Professional and governmental fees     | 83,955                                 | 203,155                                |
| Board meeting allowance                | 153,000                                | 153,000                                |
| Advertise expenses                     | 897                                    | 4,000                                  |
| Audit fees                             | 27,500                                 | 27,500                                 |
| End of service benefits                | 40,642                                 | 54,250                                 |
| Board                                  | 84,398                                 | 154,476                                |
| Stationery                             | 4,574                                  | 5,956                                  |
| Miscellaneous                          | 375,740                                | 183,488                                |
|  | <b>1,256,523</b>                       | <b>1,351,255</b>                       |

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2021

12. OTHER INCOME

|                      | For The Three Months Period Ended      |  |
|----------------------|--|--|
|                      | March 31,<br>2021<br>(Reviewed)<br>QR. | March 31,<br>2020<br>(Reviewed)<br>QR. |
| Bank interest        | 31                                     | 8,403                                  |
| Miscellaneous income | 107,543                                | 62,418                                 |
|                      | <b>107,574</b>                         | <b>70,821</b>                          |

13. EARNING PER SHARE

Earning per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the year.

|   | For The Three Months Period Ended      |  |
|---|--|--|
|   | March 31,<br>2021<br>(Reviewed)<br>QR. | March 31,<br>2020<br>(Reviewed)<br>QR. |
| Net profit for the period (QR.)         | 1,045,186                              | 1,467,260                              |
| Weighted Average number of shares       | 62,807,950                             | 62,807,950                             |
| Basic / diluted earnings per share (QR) | <b>0.017</b>                           | <b>0.023</b>                           |